



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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May 12, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27 MAY 12, 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**FIVE-YEAR OPTION TO RENEW LEASE NO. 74808
SHERIFF DEPARTMENT
4310 DONALD DOUGLAS DRIVE, LONG BEACH
(FOURTH DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is for the exercise of a five-year option to renew a lease with Airspace LLC (Lessor), for the Sheriff Department's (Sheriff) Aero Bureau for approximately 2,750 rentable square feet of office space, 12,100 square feet of hangar space in Building 101, and 17,550 square feet of ramp space at the Long Beach Municipal Airport.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the lease renewal is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1 (r), of the Environmental Document Reporting Procedures and Guidelines adopted by your Board per Section 15301 of the State CEQA Guidelines (Existing Facilities).
2. Exercise the option to renew the lease for a five-year term with Airspace LLC for approximately 2,750 rentable square feet of office space, 12,100 square feet of hangar space in Building 101, and 17,550 square feet of ramp space at the Long Beach Municipal Airport located at 4310 Donald Douglas Drive, Long Beach, for the Sheriff at an annual first year rent not to exceed \$354,826.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only**

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Sheriff Aero Bureau provides aerial reconnaissance and rescue operations throughout the County of Los Angeles. In 1971, the County leased 3.36 acres at the Long Beach Municipal Airport for the Sheriff Aero Bureau operation from the City of Long Beach (City). The original lease was for 20 years with six five-year renewal options. During the initial lease term, the County built its own office building and hangars. The building interior was refurbished in 1984. The split service lease with the City was amended in June 2003 to include an additional 1.03 acres of ramp space increasing the total leased area to 4.39 acres which relieved crowded conditions on the ramp. The fifth five-year lease renewal with the City was exercised in October 2008 and expires October 13, 2013.

In late 2003, the Sheriff identified an on-going need for additional hangar space to maintain and service the expanded air fleet. Your Board approved a five-year lease for additional space with Petrowings LLC, which later sold their lease rights and improvements to Airspace LLC, the current Lessor. The County leased an additional 2,750 rentable square feet of office space, 12,100 square feet of hangar space in Building 101, and 17,550 square feet of ramp space, which accommodates the maintenance and storage requirements of the larger Sea King Helicopters. An electronics communications technician, a senior helicopter mechanic and five helicopter mechanics along with six pilots use the office space when processing paperwork and reports. The lease with Airspace LLC allows the Sheriff to service the larger aircraft in secure enclosed space and also provides office/storage space for personnel and equipment.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we maximize the effectiveness of operations to support efficient delivery of public services (Goal 1) and to ensure efforts to maintain and improve safety and security of the people of Los Angeles County (Goal 5). This proposed lease supports these goals by securing this critical site for the continued use by the Sheriff in support of the population of Los Angeles County and complies with the Strategic Asset Management Principles, as shown in Attachment A.

FISCAL IMPACT/FINANCING

The cost for the first year of this renewal shall not exceed \$354,826 based on the terms and conditions of the lease. The program is 100 percent net County cost (NCC).

The lease renewal allows a rental adjustment at 95 percent of fair market value of the lease premises by appraisal. The proposed annual base rental rate of \$354,826 represents a 2.5 percent increase over the current rent and is based on an appraised market value as commissioned by the City and used by the Lessor. The rental increase of 2.5 percent is below the annual 4 percent maximum increase provided in the lease.

4310 DONALD DOUGLAS DRIVE LONG BEACH	EXISTING LEASE	FIVE-YEAR LEASE OPTION	CHANGE
Area (square feet)	2,500 sf office space 12,100 sf hangar space 17,550 sf ramp space	2,500 sf office space 12,100 sf hangar space 17,550 sf ramp space	None
Term	04/13/2004 – 04/12/2009 If lease extends beyond 4/12/09, it becomes month-to-month holdover	Upon board approval	+ 5 years
Annual Base Rent	\$346,171	\$354,826*	+ \$8,655
Parking	7 spaces	7 spaces	None
Cancellation	County may cancel anytime after the 36 th month upon 90 days prior written notice	County may cancel anytime upon 90 days prior written notice	Anytime upon 90 days prior written notice
Option to Renew	Two 5-year options	First 5-year option is being exercised	One 5-year option remains
Rental Adjustment	CPI to a maximum of 4 percent annually	CPI to a maximum of 4 percent annually	None

*New lease rent of \$354,826 was negotiated at 95 percent of fair market value as outlined in Lease, Paragraph 4 (b) Option to Renew and is below the annual 4 percent maximum increase provided in the lease.

Sufficient funding for the proposed five-year lease extension is included in the FY 2008-09 Rent Expense Budget and will be charged back to the Sheriff.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed exercise of the five-year option provides for approximately 2,750 rentable square feet of office space, 12,100 square feet of hangar space in Building 101, and 17,550 square feet of ramp space at the Long Beach Municipal Airport located at 4310 Donald Douglas Drive, Long Beach. The lease also contains the following provisions:

- The renewal commences upon Board approval and ends five years thereafter.
- There are no tenant improvements in this lease renewal.
- Parking for the staff and visitors is available on-site.
- The County pays all utilities, interior maintenance, ramp maintenance, janitorial and prorated share of insurance and taxes.
- County has the right to cancel the lease anytime by giving 90 days prior written notice.

The early termination right provides flexibility for the County to consider opportunities that may be available in the marketplace. A purchase offer for the subject location and a lease/purchase offer for an adjacent facility at the Long Beach Airport are currently under review by the County. The Lessor has allowed the County a 60-day extension of its right to exercise the five-year renewal option pending review of the Air Space, LLC purchase offer. Attachment B shows all County-owned and leased facilities within the surrounding Los Angeles County as well as the locations being reviewed as relocation potentials.

ENVIRONMENTAL DOCUMENTATION

The Chief Executive Office (CEO) has made an initial study of environmental factors and has concluded that this project is exempt from CEQA pursuant to Class 1 (r), of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, per Section 15301 of the State CEQA Guidelines (Existing Facilities).

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IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no disruption of services to the public. The Sheriff concurs with the proposed five-year lease renewal.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, 4th Floor, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTJ:DL:JSE
CEM:TS:hd

Attachments (2)

c: County Counsel
Sheriff Department

4310donalddouglas.b

**SHERIFF DEPARTMENT
AERO BUREAU AT LONG BEACH AIRPORT
Asset Management Principles Compliance Form¹**

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? ²			x
B	Does lease co-locate with other functions to better serve clients? ²			x
C	Does this lease centralize business support functions?			x
D	Does this lease meet the guideline of 200 sq. ft of space per person? ²			x
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program? The lease cost for the space is 100 % NCC.	x		
B	Is this a long term County program?	x		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		x	
D	If no, are there any suitable County-owned facilities available?		x	
E	If yes, why is lease being recommended over occupancy in County-owned space?			x
F	Is Building Description Report attached as Attachment B?	x		
G	Was build-to-suit or capital project considered? The Sheriff is reviewing expansion and relocation options but at this time desires to retain existing space based on favorable market rate with a cancellation right upon 90 days notice should a more viable option become available.		x	
3.	<u>Portfolio Management</u>			
A	Did department utilize CAO Space Request Evaluation (SRE)?	x		
B	Was the space need justified?	x		
C	If a renewal lease, was co-location with other County departments considered?		x	
D	Why was this program not co-located?			
	1. ___ The program clientele requires a "stand alone" facility.			
	2. <u>x</u> No suitable County occupied properties in project area.			
	3. <u>x</u> No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. ___ The Program is being co-located.			
E	Is lease a full service lease? The Lessor insisted on a triple net lease with the County paying or reimbursing Lessor for all expenses.		x	
F	Has growth projection been considered in space request?		x	
G	Has the Dept. of Public Works completed seismic review/approval?			x
	¹ As approved by the Board of Supervisors 11/17/98			
	² If not, why not?			

**SPACE SEARCH
COUNTY-OWNED AIRPORT PROPERTIES AND POTENTIAL SITE AVAILABLE**

LACO	FACILITY NAME/ADDRESS	SQ FT GROSS	SQ FT NET	OWNERSHIP	LAND AREA ACRE	SQ FT AVAILABLE
4135	BRACKETT FIELD 1615 W. McKinley Ave. La Verne 91750	433,435	393,510	OWNED	131.71	Only undeveloped land is available. Development cost too high.
0370	COMPTON AIRPORT 901 W. Alondra Blvd. Compton 90220	246,960	228,913	OWNED	74.27	None available.
X792	EL MONTE AIRPORT 4233 N. Santa Anita Ave. El Monte 91731	302,873	280,554	OWNED	49.50	Undeveloped north end available, but would require condemnation of homes in expanded flight path to meet Aero Bureau requirements.
4549	FOX AIRFIELD 4555 W. Ave. G Lancaster 93536	80,866	63,716	OWNED	512.05	Majority of undeveloped area is available. High development cost. Airfield is not centrally located or adjacent to metro area.
X764	WHITEMAN AIRPORT 12653 Osborne St. Pacoima 91331	486,140	479,718	OWNED	180.98	Very limited area available. Insufficient to meet Aero Bureau needs.
None	ABBEY HANGAR 3205 Lakewood Boulevard Long Beach, CA 90808-1733	448,555	448,555	POTENTIAL SITE	10.29	Offer to lease or purchase includes ground lease with City of Long Beach.